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Attorney for Movant,  
NREA-TRC 700 LLC

**UNITED STATES BANKRUPTCY COURT**  
**CENTRAL DISTRICT OF CALIFORNIA**  
**LOS ANGELES DIVISION**

In re  
Adli Law Group, PC

Debtor.

Case No.: 2:21-bk-18572 BB  
Chapter 11

**REPLY IN SUPPORT OF MOTION TO  
REMOVE DEBTOR IN POSSESSION OR  
ALTERNATELY, CONVERT OR DISMISS  
CASE**

**[11 U.S.C. §§ 1185(a), 1112(b)]**

Date: February 9, 2022  
Time: 10:00 a.m.  
Place: Courtroom 1539; Judge Bluebond  
United States Bankruptcy Court  
255 East Temple Street, 15<sup>th</sup> Floor  
Los Angeles, CA 90012

Creditor NREA-TRC 700 LLC (“NREA”) herein replies to the objection [ECF # 136]  
 (“Objection”) filed by Adli Law Group PC (“Debtor”) to NREA’s motion to remove the debtor in  
 possession or alternately convert to chapter 7 or dismiss the chapter 11 case of Adli Law Group  
 PC pursuant to 11 U.S.C. §§ 1185(a) or 1112(b). NREA’s reply is as follows:

1           1.       Debtor's Objection admits the serious errors in its books, records and financial  
2 reporting: "Ultimately, the Debtor's prepetition financial condition *cannot be truly understood*  
3 *until its new proposed financial advisors consider and complete their investigation and review*,  
4 and the Debtor has an opportunity to report those results to the Court and file amendments, as  
5 appropriate." Objection 3:7-10 (emphasis added). This is a remarkable admission for a debtor  
6 that has been in a chapter 11 case for three months as of the February 9, 2022 hearing on NREA's  
7 motion. Nothing can be more relevant to the creditors of this chapter 11 estate than to "truly  
8 understand" the Debtor's financial condition.

9           2.       Debtor's only answer to its prepetition incompetence and gross mismanagement in  
10 managing its financial affairs is to hire a new financial consultant, Armanino, LLP ("Armanino"),  
11 pursuant to the engagement agreement attached to the Objection as Exhibit 1. While the Debtor  
12 admits that employing Armanino is a critical next step, for some unexplained reason, the Debtor  
13 has yet to file an employment application to hire Armanino.

14           3.       Debtor's inexplicable delay in filing an employment application for Armanino  
15 further delays Armanino's completion of its work. Per the changes Debtor made on page 2 of the  
16 Armanino engagement agreement, Debtor will not pay Armanino its retainer until the Court  
17 grants its employment application. Only then does Armanino get the first \$15,000 half of its  
18 retainer requirement, with \$15,000 to follow 15-days thereafter.

19           4.       Nowhere within Debtor's Objection does Debtor provide an estimate of time for  
20 completion of Armanino's work and the delay in filing Armanino's employment application  
21 creates further delays. All of this suggests that Debtor's prepetition incompetence and gross  
22 mismanagement continues to this day because Debtor is not promptly moving to resolve its  
23 problems.

24           5.       Meanwhile, the Debtor has found time to continue pressing for Dr. Adli's insider  
25 compensation. See ECF # 144. Dr. Adli has also moved to extend the automatic stay to benefit  
26 himself and other individual attorneys in the firm in regard to the five (5) malpractice actions  
27 pending against the Debtor. See ECF # 131. These actions taken prior to filing an application to  
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1 employ Armanino confirm Dr. Adli's *misplaced priorities* for the Debtor and improper focus on  
2 his personal issues versus those of his creditors.

3 6. NREA believes that the question presented by its Motion is whether the Court  
4 should leave Dr. Adli in control of the Debtor for the next 60 to 90 days while the Debtor and  
5 Armanino perhaps complete an investigation and report on Debtor's financial affairs or whether  
6 the Subchapter V Trustee ("Trustee") should take control during this period to complete the task.  
7 Based on Debtor's performance to date, it is clear that the best interests of creditors are served by  
8 immediately removing Dr. Adli and allowing the Trustee to control the review of the Debtor's  
9 financial affairs so that creditors can reasonably move forward in this case.

10 7. For all these reasons, the Debtor should be removed as a debtor in possession or  
11 the case converted to chapter 7 or dismissed.

12 Dated: February 2, 2022

**Lewis R. Landau**  
**Attorney at Law**

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15 By: /s/ Lewis R. Landau  
16 Lewis R. Landau  
17 Attorney for Movant  
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## PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:

22287 Mulholland Hwy., # 318  
Calabasas, CA 91302

A true and correct copy of the foregoing document entitled (*specify*):

REPLY IN SUPPORT OF MOTION TO REMOVE DEBTOR IN POSSESSION OR ALTERNATELY, CONVERT OR  
DISMISS CASE

will be served or was served **(a)** on the judge in chambers in the form and manner required by LBR 5005-2(d); and **(b)** in the manner stated below:

**1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):** Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*) 02/02/2022, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

☒ Service information continued on attached page

**2. SERVED BY UNITED STATES MAIL:**

On (*date*) \_\_\_\_\_, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page

**3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL** (*state method for each person or entity served*): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*) 02/02/2022, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

Judge Bluebond, US Bankruptcy Court, 255 E Temple St., Suite 1534, Los Angeles, CA 90012

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

02/02/2022  
*Date*

Lewis R. Landau  
*Printed Name*

/s/ Lewis R. Landau  
*Signature*

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